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Lyon, France, July 27, 2006 - EDAP TMS S.A. (Nasdaq: EDAP) announced that it has entered into a securities purchase agreement with selected accredited investors pursuant to which an aggregate of 961,676 of the company's ordinary shares in the form of American Depositary Shares are expected to be issued at a per ADS price of \$7.75. The closing of the financing is expected to occur on or about August 3, 2006, subject to certain customary closing conditions contained in the definitive transaction agreements. Net proceeds from the financing will total approximately \$6.5 million after offering expenses. Proceeds are expected to be used primarily to fund marketing efforts to promote the use of EDAP's High Intensity Focused Ultrasound treatment for prostate cancer, Ablatherm, among physicians and patients located in key countries in Europe.

The securities offered herein have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. As part of the transaction, the company has agreed to file a resale registration statement on Form F-3 with the Securities and Exchange Commission within 30 days following the closing for the purpose of registering for resale the American Depositary Shares evidencing the ordinary shares sold in the offering.

This press release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be, absent any exemption therefrom, any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.